

REMARKS

A. INTRODUCTION

The Office Action has been received and carefully considered. Reconsideration of the outstanding rejections in the present application is respectfully requested based on the following remarks.

B. THE REJECTION UNDER 35 U.S.C. § 102

On page 2 of the Office Action, claims 1-51 were rejected under 35 U.S.C. § 102(b) as being anticipated by Atkins (U.S. Patent 5,644,727, hereinafter “Atkins”). These rejections are respectfully traversed as follows.

Before going to the details of the claim rejections, it should be noted that Atkins relates to a subject matter substantially different from the present invention.

Atkins teaches a financial planning tool. Atkins is directed to

“a method and apparatus for effecting an improved personal financial analysis, planning and management system incorporating a digital system of electronic exchange, investment and borrowing with means of implementing, coordinating, supervising, planning, analyzing and reporting upon an array of asset accounts such as investments and liability accounts such as credit facilities.” Col. 7, lines 19-26.

Specifically, Atkins teaches a financial planning tool based on a Home Owner’s Management Equity (HOME)TM mortgage, which tool provides an individual the opportunity to make increased investments in designated asset accounts instead of decreasing the principal of the mortgage. Col. 13, lines 39-67.

The present invention relates to a financial instrument. Exemplary embodiments of the present invention are directed to a linked account instrument used to access funds in at least one cash account backed by at least one credit account. Charges incurred through the use of a linked

account instrument (e.g., a special charge card associated with both the at least one cash account and the at least one credit account) may be first covered by the at least one cash account. Specifically, the linked account instrument may be “a magnetically encoded plastic card similar to a credit card or ATM card.” Page 6, lines 6-7. If there are insufficient funds in the at least one cash account, the charges may be covered by the at least one credit account, and sweeps may then be performed on the at least one cash account in search of funds to cover the charges.

Therefore, Atkins teaches a subject matter substantially different from the present invention. An appreciation of this basic distinction is helpful in understanding that Atkins does not anticipate the present invention.

(1) Atkins Does Not Disclose Each and Every Element In Claims 1, 24, 50 or 51.

Under 35 U.S.C. § 102, the Patent Office bears the burden of presenting at least a prima facie case of anticipation. In re Wilder, 57 C.C.P.A. 1314, 1318-1319, 429 F.2d 447, 450 (C.C.P.A. 1970). Anticipation requires that a prior art reference disclose, either expressly or under the principles of inherency, each and every element of the claimed invention. In re King, 801 F.2d 1324, 1326, 231 USPQ2d 136, 138 (Fed. Cir. 1986).

First, Atkins does not disclose “*a linked account instrument*” as recited in independent claims 1, 24, 50 or 51.

The Office Action cites the following portions of Atkins as allegedly disclosing a “*linked account management system*” or “*a linked account instrument*”:

“The client's accounts are monitored via a borrowing power baseline, and considered imbalanced if the client's borrowing power is less than the minimum borrowing power.” Abstract, lines 20-23.

“If the client account is still not balanced after modification of the account, the system will deny authorization for certain requested transactions, ...” Abstract, lines 25-28.

“The digital system of the present invention can receive financial data, consolidate the financial information, analyze the information, recommend specific actions or transactions which optimize an individual's asset/liability allocation, capital budgeting, or portfolio selection, and negotiate with other parties (or other parties' personal digital assistants) to effect a transaction or series of transactions, and report the results to the individual.” Col. 9, lines 32-39.

“The system of the present invention offers but does not require, backward compatibility with the use of existing credit cards, credit card systems, POS terminals, ATM networks, credit card and check authorization systems, among others. Thus, the present invention does not require abandonment of current systems or hardware. Further, the multiple benefits of the system may motivate financial institutions to buy appropriate personal digital assistants in large quantities to give to customers, much as they currently give away check books and passbooks today.” Col. 10, lines 1-10.

“Such transactions include purchase and sale of goods and services or securities, withdrawal or deposit of cash, acquisition of annuities and insurance policies, and access to one or more types of credit facilities.” Col. 29, lines 3-6.

Neither these passages nor any other portions of Atkins discloses a linked account instrument that can be used to access funds in at least one cash account backed by at least one credit account. At best, the cited passages disclose the management of multiple accounts, which is well known in the field of financial planning. However, mere management of multiple accounts does not require a linked account instrument as claimed in the present invention. Indeed, Atkins does not teach or suggest any linked account instrument, one embodiment of which may be swiped at a point of sale (P.O.S.) terminal for purchasing goods and/or services (page 6, lines 10-13).

Though Atkins does mention “*credit facilities*,” they are treated as one example of liability accounts to be balanced with asset accounts in Atkins' personal financial management system. There is no teaching or suggestion that credit accounts could be used to back up cash

accounts in an overdraft scenario. In fact, Atkins “offers but does not require, backward compatibility with the use of existing credit cards, credit card systems, POS terminals, ...” (col. 10, lines 1-3), which is a clear indication that Atkins does not contemplate a linked account instrument as recited in the present application.

Moreover, Atkins makes no reference to a cash account, much less a cash account that is backed by a credit account. Contrary to the Office Action’s assertion that a cash account is inherent, a cash account is not necessary in the HOME Account™ system taught by Atkins because such system is primarily concerned with distribution of amortization payments among investment accounts and liability accounts (e.g., credit cards). Col. 13, lines 55-67. Even if cash accounts were contemplated by Atkins, they would not have been backed by credit accounts because, in Atkins, credit cards are just as one type of liability accounts to be considered in financial analysis, not ones that provide overdraft function for cash accounts. Col. 13, lines 61-62.

For at least these reasons, Atkins does not teach or suggest “*a linked account instrument*” as recited in claims 1, 24, 50 or 51.

Second, Atkins does not disclose “*performing sweeps of said at least one cash account*” as recited in the present invention.

The Office Action cites the following portion of Atkins as allegedly disclosing “*sweeps*”:

“The suggested prioritization function may recommend various forms of “sweeping” or allocating funds from or to one or more asset or liability accounts.” Col. 7, lines 42-45.

In addition to the cited passage, the word “*sweep*” also appears in the following portions of Atkins (emphasis added):

“If desired, the system automatically manages a client's budgetary and financial affairs through a system of expert sweeps based on a client's preferences.” Abstract.

“Such expert can provide her with an integrated financial plan that is frequently updated together with financial management tools such as expert account sweep features that automatically allocate funds in accordance with the plan.” Col. 8, lines 40-44.

“This subsystem incorporates automatic or expert sweep features between asset and liability accounts that provide a means of implementing, coordinating, supervising, planning, analyzing, and reporting on investments in an array of assets and liabilities from a variety of credit facilities.” Col. 13, lines 25-30.

“By executing PALAP, the system generates a preferred allocation of assets and liabilities based on system default variables and client input comprising variables specified by the individual which may be implemented through the HOME Account™ or MyNet™ systems of automated allocations or account sweeps.” Col. 49, lines 52-58.

“The outputs can be used to establish a system of expert sweeps or fund transfers that will either automatically or upon client approval sweeps funds from a HOME Account™ sub-account in order to implement the PALAO, PIBO and the individual's personal budget.” Col. 51, lines 50-54.

However, none of the cited portions uses the word “*sweep*” in the same sense or context as in the present application. As can be seen from the cited passages, a “*sweep*” in Atkins refers to an execution of fund allocation among assets and liabilities based on a client's investment preferences. It is simply movement of available funds following a financial planning strategy. In the present application, a “*sweep*” of a cash account typically involves determining whether there are sufficient funds to cover charges incurred through use of a linked account instrument, and, if there are sufficient funds, an automatic withdrawal based on an earlier-incurred overdraft amount. In contrast, the “*sweep*” in Atkins does not involve determining availability of funds or any linked account instrument.

Therefore, Atkins does not disclose “*performing sweeps of said at least one cash account*” as recited in the present invention.

(2) Elements Disclosed By Atkins Are Not Arranged The Same As The Claimed Invention.

Even if it were true, for the sake of argument, that Atkins did disclose the various elements as alleged on page 2 of the Office Action (e.g., “*linked account management system*,” “*predetermined*,” “*server*,” “*bank/financial institution management*,” “*account management system*,” “*sweeps*,” and “*credit*”), these elements are not arranged in such a way to anticipate the present invention. For a claimed invention to be anticipated by a prior art reference, every element of the claimed invention must be literally present in the reference, and arranged as in the claim. Richardson v. Suzuki Motor Co., 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

The Office Action picked the above-listed elements from various parts of the Atkins patent without showing that these elements were actually arranged in the same way as described in the present invention. For example, the so-called “*linked account management system*” or “*account management system*” cited in the Office Action simply teaches the management of a group of asset accounts and liability accounts in a financial planning package. Col. 7, lines 20-26. The account system in Atkins does not link a cash account with a credit account that backs or provides overdraft protection for the cash account. Nor does the association between the cash account and the credit account involve any linked account card. The “*server*” cited in the Office Action refers to generic computation and communication instruments. Col. 7, lines 27-30. The server in Atkins does not specifically refer to any “authorization server” that processes transactions initiated with a linked account instrument. The “*sweep*” functions in Atkins automatically allocate funds among investment accounts in accordance with a financial plan.

Col. 8, lines 40-44. Such sweeps in Atkins do not operate to retrieve funds from a cash account for earlier overdraft charges against a linked credit account.

Applicants concur with the Examiner that Atkins presents a comprehensive system which integrates financial planning, analysis and transactions (page 7 of the Office Action). Being comprehensive, the Atkins disclosure may have included some terms that also appear in the present application. However, the mere presence of these terms is not enough to conclude that Atkins anticipates the present invention. These terms (e.g., “sweep”) appear in different contexts and they do not necessarily have the same meanings in both disclosures. As discussed above, Atkins not only fails to disclose each and every element of the present invention, it also fails to arrange the arguably present elements in a same way as in the present invention.

(3) The Atkins Patent Is Not Enabling For Anticipation Purposes.

The Atkins patent cannot anticipate the present invention because it does not enable those skilled in the art to carry out the present invention.

For anticipation to stand, the prior art reference must be enabling. Akzo N.V. v. U.S. International Trade Commission, 808 F.2d 1471, 1479, 1 USPQ2d 1241, 1245 (Fed. Cir. 1986), cert. denied, 482 U.S. 909 (1987). That is, the prior art reference must sufficiently describe the claimed invention so as to have placed the public in possession of it. In re Donohue, 766 F.2d 531, 533, 226 USPQ 619, 621 (Fed. Cir. 1985). In order to enable one skilled in the art to practice an invention, for purpose of finding a patent anticipated, the prior art reference must teach one of ordinary skill in the art to make or carry out the claimed invention without undue experimentation. Minnesota Min. & Mfg. Co. v. Chemque, Inc., 303 F.3d 1294, 1306, 64 USPQ2d 1270, 1278 (Fed. Cir. 2002).

Atkins discloses a personal financial analysis, planning and management system designed for an individual to optimize or improve the allocation of personal assets and liabilities to maximize her net worth. Col. 14, lines 1-3. Atkins does not describe, explicitly or implicitly, linking a cash account with a credit account through the use of a linked account instrument, wherein the credit account may provide overdraft protection for the cash account. Nor does Atkins teach or suggest automatic sweeping of the cash account (e.g., automated clearing house or ACH) in this linked-account context. Indeed, simply by reading Atkins, one skilled in the art cannot implement a linked account instrument.

In view of the foregoing, independent claims 1, 24, 50 and 51 are not anticipated by Atkins. Since claims 2-23 and 48 depend from claim 1 and claims 25-47 and 49 depend from claim 24 respectively, these claims are not anticipated by Atkins either.

C. CONCLUSION

For at least the reasons provided above, Applicant respectfully submits that the application is in condition for allowance. Favorable reconsideration and allowance of the pending claims are respectfully solicited.

Should there be anything further required to place the application in better condition for allowance, the Examiner is invited to contact Applicant's undersigned representative at the telephone number listed below.

In the event any additional fees are due, the Commissioner is hereby authorized to charge the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

HUNTON & WILLIAMS, LLP

By:



Ce Li
Limited Recognition
under 37 C.F.R. § 10.9(b)

Hunton & Williams, LLP
1900 K Street, N.W., Suite 1200
Washington, D.C. 20006-1109
Telephone (202) 955-1500
Facsimile (202) 778-2201

Dated: 9/26/04